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The Honorable William J. Casey  
Director of Central Intelligence  
Washington, D.C. 20505

Dear Mr. Casey:

This is the eighth in a series of annual reports prepared to comply with a request made originally by the Armed Services Committee of the House of Representatives. In 1976 that Committee requested an analysis and an annual report of the Agency's Administration of the Central Intelligence Agency Retirement and Disability System. The reports are now submitted to the House Permanent Select Committee on Intelligence which has an oversight responsibility with respect to the Agency.

The primary purpose of the annual study is to review the manner in which the Agency exercises discretion given to the Director of Central Intelligence by law to designate employees for participation in CIARDS and to administer the system for a limited number of Agency employees.

During the fiscal year that began 1 October 1982 and ended 30 September 1983 there were no changes in the law, the regulations, or the policies of the Agency that have immediate effect on participation and retirement. The one legislative enactment that will result in drastic changes in the future of CIARDS is Public Law 98-21, entitled "Social Security Amendments of 1983." This law mandates Social Security coverage for all employees newly hired on or after 1 January 1984.

At the present time CIARDS is a viable tool of personnel management that helps the Agency to carry out its essential intelligence mission. It will not be easy to develop a system that will supplement the basic retirement protections of Social Security and still serve the objectives that CIARDS has fulfilled since 1965.

During the past year the Central Intelligence Agency Retirement Board and the Director of Personnel have consistently followed a policy of conservative application of very strict criteria in approving service as qualifying and designating employees for participation in CIARDS. Without deviation or exception, discretion has been exercised under your delegated authority in full compliance with the law, the regulations, and Agency policies.

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It is my opinion that, for another year, administration of the Central Intelligence Agency Retirement and Disability System, and the exercise of discretionary authority by the Agency have been fully consistent with the intent of Congress.

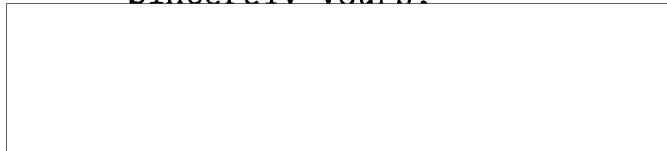
This excellent record of the Agency's administration of CIARDS over the years is not something that just happened. It is reflection of a deliberate policy, established and maintained by a succession of Directors, that discretion to designate employees and to approve service as qualifying be exercised under strict interpretations of law and regulations. In a larger sense, the record is a tribute to the effectiveness of the individuals who have carried out that policy, particularly the Members and Staff of the CIA Retirement Board.

Mr. Benedetto De Felice served the Central Intelligence Agency Retirement Board as its Chairman from July 1973 to August of 1983. His strong leadership, his commitment to the Agency's policy of strict interpretation and observance and his intelligent guidance of the Board for the past decade have resulted in a record of effective administration of CIARDS of which the Agency can be justly proud.

Mr. Murray W. Benthall retired in April of 1983 after serving as Executive Secretary of the Retirement Board for the past sixteen years. Among his many attributes was a highly developed ability to remember, by name and circumstance, most of the difficult cases the Board has considered since CIARDS was established.

It is trite to state that no individual is indispensable. It is also fitting to recognize outstanding individual contributions toward the success of this important program.

Sincerely yours,



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